

## **PM-21-064**

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Date

November 22, 2021

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy

Subject

Flue Cured Tobacco Crop Insurance Changes Effective for the 2022 and Succeeding Crop Years

## **Background**

The Risk Management Agency (RMA) is revising the Special Provisions for flue cured tobacco. These revisions were prompted by feedback from producer groups and other industry stakeholders regarding the contracted tobacco features added for crop year 2021. Based on that feedback, RMA is improving the weighted average price calculations and incorporating clarifications regarding acreage reporting and spousal entities. Specific changes include:

- Modify the weighted average contract price calculation to ensure the producer's choice of coverage level does not impact their price for insurance purposes;
- Clarify the deadline to submit contracts is the acreage reporting date;
- Allow production agreements to be in the name of either spouse for spousal entities; and
- Allow 10% tolerance for over-planting in excess of the contracted production amount and remain eligible for the weighted average price.

## **Action**

The Special Provisions and associated frequently asked questions (FAQ) for flue cured tobacco for the 2022 crop year will be available by close of business today on the RMA website at [www.rma.usda.gov](http://www.rma.usda.gov).

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at [rma.usda.gov/tools-reports/agent-locator](http://rma.usda.gov/tools-reports/agent-locator).

### **DISPOSAL DATE:**

December 31, 2021